

Decision No. 79626**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Advice Letter
No. 367 of California Water Service
Company and Investigation on the
Commission's own motion into the
desirability of expansion of the
service area of California Water
Service Company in its Salinas
District, and Bolsa Knolls Water Co.,
Respondents.

Case No. 9191
(Filed February 9, 1971)

In the Matter of the Suspension of
Advice Letter No. 20 of Bolsa
Knolls Water Company, Inc., and
Investigation on the Commission's
own motion into the desirability
of expansion of the service area
of Bolsa Knolls Water Company, Inc.

Case No. 9212
(Filed April 27, 1971)

McCutchen, Doyle, Brown and Enersen, by A. Crawford
Green, Jr., Attorney at Law, for California
Water Service Company, respondent.
Boris H. Lakusta and David J. Marchant, Attorneys at
Law, for Bolsa Knolls Water Co., respondent.
Thomas G. Dunne, City Manager, for City of Salinas,
interested party.
K. K. Chew and A. Verville, for the Commission staff.

O P I N I O N

By Advice Letters filed with this Commission, California Water Service Company (hereinafter referred to as California Water) and Bolsa Knolls Water Company, Inc. (hereinafter referred to as Bolsa) sought to extend service pursuant to Section 1001 of the Public Utilities Code to the Northridge Shopping Center located in the City of Salinas. In addition thereto Bolsa proposed to extend service to an area consisting of approximately 1400 acres. By orders dated February 9, 1971 and April 27, 1971, the Commission

suspended Advice Letters Nos. 20 and 367 and instituted investigations into the public convenience and necessity supporting the expansion of California Water and Bolsa into the contiguous areas contained in said Advice Letters.

Public hearings were held before Examiner Porter on June 8, 1971 and October 7, 1971 at Salinas and the matters were submitted.

The record indicates that California Water serves the City of Salinas and an unincorporated area of Monterey County adjacent to the city limits. The population within the area is approximately 43,000. As of December 31, 1970, California Water system contained 12,817 metered services, no unmetered services, 62 private fire connections and 1,086 fire hydrants. On December 31, 1970, California Water filed Advice Letter No. 367 for the purpose of including in its Salinas District an area developed as Northridge Shopping Center. Because of a protest filed by Bolsa the filing was suspended. Bolsa is presently providing service in Bolsa Knolls and other adjacent subdivisions, located in unincorporated areas of Monterey County approximately three miles north of the City of Salinas. On April 16, 1971, Bolsa filed Advice Letter No. 20 which would extend service to approximately 1,400 acres adjacent to its existing service area including the Northridge Shopping Center. The proposed 1,400-acre extension consists mostly of farm lands adjoining the boundaries of the two utilities. The purpose of the extensive filing by Bolsa assertedly was to have an established boundary line determined by the Commission so that both utilities could better plan facilities for future needs.

The Northridge Shopping Center covers approximately 76 acres consisting of a number of new stores including J. C. Penny and the Emporium. The center is immediately adjacent to the service area of California Service and approximately 500 feet southeast of Bolsa's service area.

After extensive consideration of the proposals by both utilities, the developer of the shopping center, Sutter Hill Development Corporation, initially indicated a preference for California Service because of its overall financial strength, management and performance within the Salinas area. The preference was made notwithstanding the fact that Bolsa's estimated construction cost is approximately \$60,000 less than that of California Water. After cross-examination at the hearing, the developer stated that he would be willing to accept water service from either utility. The City Council of the City of Salinas voted in support of the proposal of California Service despite a recommendation by the City Manager supporting Bolsa.

Bolsa would apply its present rates and charges to the proposed area and California Service would apply its Salinas general metered service rates and charges to the area it seeks to serve.

The staff was of the opinion that the Northridge Shopping Center could be served on a satisfactory basis by either California Water or Bolsa. With the exception of the shopping center and the Santa Rita Community (located four miles north of Salinas, consisting of approximately 160 dwellings), the staff takes a position that the proposed service area of Bolsa is too large to be considered an expansion necessary in the ordinary course of business. Located at the perimeter of the proposed extended area is a 22-lot subdivision known as Natividad Ranchos. Because it is not contiguous to the Bolsa water system, the staff recommends that Bolsa file an application to serve this area.

With respect to future requests for extension of services by both utilities the staff recommends that both utilities should stay within the demarcation line as set forth on Attachment 5 of Exhibit 19.

After consideration the Commission finds that:

1. California Service and Bolsa are presently providing water service as public utilities within the Salinas area.
2. Both utilities could extend and satisfactorily provide service to the Northridge Shopping Center pursuant to the provisions of Section 1001 of the Public Utilities Code.
3. California Service should prevail because it filed first in point of time and is supported by the City of Salinas.
4. The extended area as proposed by Bolsa is too extensive to be considered an extension necessary in the ordinary course of business.
5. Bolsa may extend service to the Santa Rita Community pursuant to Section 1001 of the Public Utilities Code, but should file an application to serve the Natividad Ranchos Subdivision.
6. Future requests for extension of services by California Service and Bolsa should be within the demarcation line as set forth on Attachment 5 of Exhibit 19.
7. Public convenience and necessity require the extended service of California Water to the Northridge Shopping Center.
8. Public convenience and necessity require the extended service of Bolsa to the Santa Rita community.

O R D E R

IT IS ORDERED that:

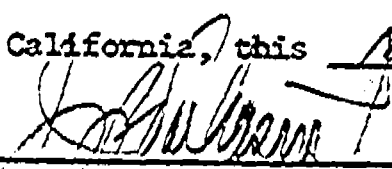
1. The Commission order, dated February 9, 1971 in Case No. 9191 suspending Advice Letter No. 367, is hereby set aside and California Water Service Company may extend service to the Northridge Shopping Center as proposed.
2. The suspension of Advice Letter No. 20 by Commission order dated April 27, 1971 in Case No. 9212 is hereby made permanent. Bolsa Knolls Water Company may extend service to the

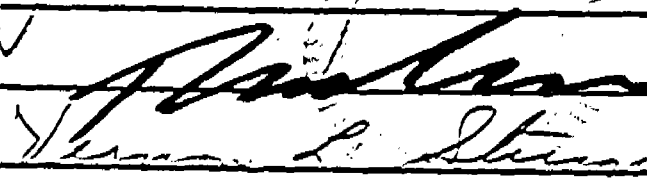
Santa Rita community pursuant to Section 1001 of the Public Utilities Code upon filing an appropriate advice letter. Extended service to the Natividad Ranchos Subdivision by Bolsa Knolls Water Company will require the filing of an application.


3. Future requests for extension of services by California Water Service Company and Bolsa Knolls Water Company shall be within the demarcation line as set forth on Attachment 5 of Exhibit 19.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 18th
day of JANUARY, 1972.



Chairman




Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.